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(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To improve the procedures of the national instant criminal background check system in the case of firearm transfers by federally licensed firearms importers, manufacturers, and dealers before the completion of the related criminal background check, and to provide for annual reports on default firearm transfers.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. SCHNEIDER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To improve the procedures of the national instant criminal background check system in the case of firearm transfers by federally licensed firearms importers, manufacturers, and dealers before the completion of the related criminal background check, and to provide for annual reports on default firearm transfers.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Default Proceed Sale  
3 Transparency Act”.

4 **SEC. 2. IMPROVEMENT OF NICS PROCEDURES IN THE CASE**  
5 **OF DEFAULT FIREARM TRANSFERS.**

6 (a) REQUIREMENT THAT FEDERALLY LICENSED  
7 FIREARM IMPORTERS, MANUFACTURERS, AND DEALERS  
8 REPORT DEFAULT FIREARM TRANSFERS.—

9 (1) IN GENERAL.—Section 922(t) of title 18,  
10 United States Code, is amended by adding at the  
11 end the following:

12 “(7) A licensed importer, licensed manufacturer, or  
13 licensed dealer who transfers a firearm in compliance with  
14 paragraph (1), but before the national instant criminal  
15 background check system provides the licensee with a  
16 unique identification number, shall report the transfer to  
17 the Federal Bureau of Investigation within 24 hours. If  
18 a State or local law enforcement authority is conducting  
19 the related background check, the Federal Bureau of In-  
20 vestigation shall transmit the report to that authority.”.

21 (2) CREATION OF ONLINE PORTAL AND TELE-  
22 PHONE HOTLINE.—Within 180 days after the date  
23 of the enactment of this Act, the Attorney General  
24 shall create an online portal and telephone hotline,  
25 that are to be used exclusively for the purpose of re-  
26 porting sufficient information to allow the Federal

1 Bureau of Investigation to prioritize background  
2 checks in accordance with section 40901(j) of title  
3 34, United States Code.

4 (b) PRIORITIZATION OF NICS BACKGROUND CHECKS  
5 RELATING TO DEFAULT FIREARM TRANSFERS.—Section  
6 103 of the Brady Handgun Violence Prevention Act (34  
7 U.S.C. 40901) is amended by redesignating subsections  
8 (j) and (k) as subsections (k) and (l) and inserting after  
9 subsection (i) the following:

10 “(j) PRIORITIZATION OF BACKGROUND CHECKS RE-  
11 LATED TO DEFAULT FIREARM TRANSFERS.—In the case  
12 of a transfer referred to in section 922(t)(7) of title 18,  
13 United States Code, the system established under this sec-  
14 tion shall give priority to completing the background check  
15 relating to the transfer.”.

16 (c) PROHIBITION ON DESTRUCTION OF RECORDS  
17 RELATING TO FIREARM TRANSFER BEFORE COMPLETION  
18 OF BACKGROUND CHECK.—Section 103 of the Brady  
19 Handgun Violence Prevention Act (34 U.S.C. 40901), as  
20 amended by subsection (b)(1) of this section, is amended  
21 by redesignating subsections (k) and (l) as subsections (l)  
22 and (m) and inserting after subsection (j) the following:

23 “(k) PROHIBITION ON DESTRUCTION OF RECORDS  
24 RELATING TO FIREARM TRANSFER BEFORE COMPLETION  
25 OF RELATED BACKGROUND CHECK.—The system estab-

1 lished under this section may not destroy any records of  
2 the system relating to a proposed or completed firearm  
3 transfer, before completion of the criminal background  
4 check with respect to the prospective or actual trans-  
5 feree.”.

6 **SEC. 3. ANNUAL REPORTS ON DEFAULT FIREARM TRANS-**  
7 **FERS.**

8 (a) IN GENERAL.—Within 300 days after the date  
9 of the enactment of this Act and annually thereafter, the  
10 Director of the Federal Bureau of Investigation shall  
11 make accessible to the public a written report on—

12 (1) the number of firearms transferred as de-  
13 scribed in section 922(t)(7) of title 18, United  
14 States Code, during the period covered by the re-  
15 port, disaggregated by State;

16 (2) the number of the firearms described in  
17 paragraph (1) of this subsection with respect to  
18 which the national instant criminal background  
19 check system established under section 103 of the  
20 Brady Handgun Violence Prevention Act completed  
21 the background check;

22 (3) of the number described by paragraph (2)  
23 of this subsection—

24 (A) the number with respect to which the  
25 system provided the unique identification num-

1           ber under section 922(t)(1)(B)(i) of such title;  
2           and

3           (B) the number with respect to which in-  
4           formation available to the system demonstrated  
5           that receipt of a firearm by the transferee  
6           would violate subsection (g) or (n) of section  
7           922 of such title or State law; and

8           (C) in each case described by subpara-  
9           graph (B) of this paragraph, the reason for in-  
10          dicating that the receipt would be a violation re-  
11          ferred to in such subparagraph (B), including  
12          any specific prohibiting criteria that would bar  
13          the transferee from receipt of a firearm;

14          (4) of the number described by paragraph  
15          (3)(B) of this subsection, the number of firearms  
16          that were retrieved from the transferee, and the  
17          number of firearms that were not retrieved from the  
18          transferee, with each number broken down by the  
19          field division of the Bureau of Alcohol, Tobacco,  
20          Firearms, and Explosives and the State involved;

21          (5) in the case of the 1st report under this sec-  
22          tion, the number of requests for criminal back-  
23          ground checks received by the system in the pre-  
24          ceding 5 years the records of which were purged  
25          from the system without resolution; and

1           (6) the number of licensed importers, licensed  
2           manufacturers, or licensed dealers who transferred  
3           firearms as described in section 922(t)(7) of such  
4           title during the period covered by the report,  
5           disaggregated by the State of sale.

6           (b) IN GENERAL.—Within 300 days after the date  
7           of the enactment of this Act and annually thereafter, the  
8           Director of the Bureau of Alcohol, Tobacco, Firearms, and  
9           Explosives shall make accessible to the public a written  
10          report on—

11           (1) the average time between receipt and recov-  
12           ery of a firearm transferred as described in section  
13           922(t)(7) of title 18, United States Code, during the  
14           period covered by the report, where receipt by the  
15           transferee violated subsection (g) or (n) of section  
16           922 of such title or State law;

17           (2) the number of firearms transferred as de-  
18           scribed in such section 922(t)(7) during the period  
19           covered by the report, that were recovered as part of  
20           a criminal investigation, where receipt by the trans-  
21           feree violated such subsection (g) or (n) or State  
22           law, disaggregated by State; and

23           (3) of the number described by paragraph (2)  
24           of this subsection—

1 (A) the total number of firearms that were  
2 recovered by law enforcement in States other  
3 than the State the firearm was transferred by  
4 a licensed importer, licensed manufacturer, or  
5 licensed dealer as described in such section  
6 922(t); and

7 (B) the information outlined in subpara-  
8 graph (A) of this paragraph, disaggregated  
9 by—

10 (i) the State where the firearm was  
11 recovered; and

12 (ii) the State where the firearm was  
13 transferred as described in such section  
14 922(t).

15 (c) RULE OF INTERPRETATION.—A report under  
16 subsection (a) shall be considered an annual statistical re-  
17 port and statistical aggregate data for purposes of the 6th  
18 proviso under the heading “BUREAU OF ALCOHOL, TO-  
19 BACCO, FIREARMS AND EXPLOSIVES—SALARIES AND EX-  
20 PENSES” in the Department of Justice Appropriations  
21 Act, 2012 (title II of division B of Public Law 112–55).